(c) and (d) The Government is considering different alternatives in view of the problems encountered in the functioning of BIFR. The alternatives include amendments in SICA, repeal of SICA and evolving a new system Of Corporate Debt Restructuring to be operated by Financial Institutions and Banks with a debt restructuring and rehabilitation strategy and mechanism. A final decision in the matter is yet to be taken.

Cost-Analysis study on AI and IA

*707. SHRI RAMDAS AGARWAL: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Air India and Indian Airlines have so far made any comparative study of the cost of working in other world reputed public or private airlines who are earning huge profits;

'(b) whether the Ministry of Civil Aviation has so far been able to identify as to why AI and IA are losing every year; and

(c) what efforts Government have so far made to make them more profit-earning organisations?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) Yes, Sir.

(b) Indian Airlines has started making profits since 1997-98. Indian Airlines which was a profit making company for many years started incurring losses from the year 1989-90 due to the reasons beyond its control. Some of these reasons were:—

(i) The grounding of Airbus A-320 fleet for a period of 9 months and their phased re-induction thereafter resulting in a loss of Rs. 200 crores.

(ii) The merger of Vayudoot which had an accumulated loss of around Rs. 200 crores and annual loss of Rs. 15 crores. Of the 1300 Vayudoot employees around one thousand employees have been absorbed in Indian Arilines.

(iii) Initial effect of domestic deregulation.In Air India, the losses are due to increase in expenditure on account of interest and depreciation on new aircraft, reduction in yield due to increased discounting in the market and cost of operations, increase in wage bill and other staff costs and landing, handling and navigational charges, depreciation of rupee value, etc.

(c) Air India and Indian Airlines have been constantly taking steps to upgrade their product. Some of the main steps taken to rriake them profitable are:—

(i) Improve the aircraft employee ratio.

(ii) Develop brand loyalty through improved customer facilitation.

(iii) Route rationalisation by re-deploying capacity on more profitable route's.

(iv) Maximise utilisation of fleet.

(v) Fleet rationalisation.

(vi) Supplementing Air India's core network with a secondary network of code share services through alliances with selected airlines.

(vii) Use of information technology for yield management, customer services and scheduling.

Suspension of dealing in shares of companies by BSE

*708. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that on the instructions of Securities and Exchange board of India (SEBI), die Bombay Stock Exchange has suspended me dealings in the shares of 97 companies;

(b) if so, the reasons therefor; and

(c) what steps Government propose to take to protect the interests of the small shareholders?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) SEBI has intimated that it had debarred 57 companies from associating with the capital market for five years as they had failed to comply with the listing agreement and were not traceable at their mentioned registered offices. In order to protect potential investors, SEBI also advised the stock exchanges to consider suspension of trading of scrips of these companies. In compliance. The Stock Exchange, Mumbai (BSE) suspended trading of scrips of 25 companies out of the 57 companies identified by SEBI. Of the remaining 32 companies, 15 had been delisted earlier and 17 were not listed on BSE. BSE has intimated that most of the securities which are under suspension were inactive scrips, in the sense that notrading was taking place in these scrips for a long period of time.